

**For Immediate Release**  
**January 15, 2014****Contact:** NR 4-14-G  
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**1-916-327-8988****Taxing Counterfeiters and Streamlining Audits Among Legislative Proposals for 2014**

**Sacramento** – The California State Board of Equalization (BOE) will consider whether to sponsor legislation to remove the resale exemption from those convicted of dealing in counterfeit goods and allow self-audits for some payers of fuel, cigarette, tobacco product, and alcohol taxes during its meeting on January 16, 2014, at 450 N Street in Sacramento.

**One proposed bill** would require manufacturers, wholesalers, distributors, and retailers convicted of selling counterfeit products to pay the sales tax on these goods, even if they claimed they were for resale. Sales of products that are resold are generally not subject to tax. If this becomes law, it will further deter trafficking in counterfeit products which pose potential dangers to consumers, and undercut businesses that sell goods legitimately and pay the right amount of tax.

**Another proposal** would allow self-audits, with BOE guidance, for some of the businesses that pay fuel, cigarette, alcohol, and other special taxes and fees to the BOE. This program is currently allowed for sales and use tax payers that meet certain criteria. These self-audits assist businesses by educating them about accurate reporting, reducing disruptions to their business operations, and cutting the interest they owe in half on liabilities found in the audit. This type of audit also assists the BOE by redirecting staff to more complex audits, reducing the number of protested audits, and promoting ongoing positive relationships between taxpayers and the BOE.

If the majority of Board Members vote to sponsor these legislative proposals, Members and BOE staff will attempt to find members of the Legislature to author bills to make these proposals into law.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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